



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301-8000

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November 5, 1990

PRODUCTION AND
LOGISTICS
(L/SD)

Principal
MEMORANDUM FOR DEPUTY COMPTROLLER

SUBJECT: Materiel Management CIM Phase II

Based on our previous discussions, you suggested that members of our respective staffs meet to determine the best approach for proceeding with the development of the CIM Phase II products for Materiel Management. To facilitate these discussions, I directed my staff to prepare the attached proposal which suggests the following:

1. How the Materiel Management CIM process can be effectively accelerated;
2. Why program integration with other Materiel Management DMR initiatives under the purview of P&L will improve the final CIM product; and
3. Most importantly, how the functional office, with its breadth and depth of functional knowledge, can produce - in the most cost effective, efficient, and non-duplicative manner - future standard systems that meet the needs of each functional requirement.

It should be emphasized that at the core of our proposal are several fundamental tenets, listed below:

1. The CIM Phase II deliverables should be completed for use during CIM Phase III.
2. Functional requirements must drive the CIM ADP systems development.
3. Ongoing and existing Component ADP systems should be used as CIM inputs wherever these meet functional needs.
- 4. The overriding emphasis of CIM should be on the product, rather than the process.

The proposed P&L approach is consistent with Deputy Secretary Atwood's guidance to the CIM Groups to build upon established

foundations where possible and to rely on the functional office to determine requirements. The P&L Inventory Reduction Plan (IRP) and the Defense Materiel Management Board (DMMB) structures are already in place for both policy development and the CIM interim systems determination/implementation. The CIM Phase II Functional Business Plan would be developed under an accelerated, integrated program in tandem with the IRP and MMB process.

Moreover, there will be no duplication of effort or waste of OSD and Component personnel because the vast functional experience in Logistics, combined with current MM CIM Component personnel, will be fully dedicated to developing the Functional Business Plan as well as the revisions to the Materiel Management policies, processes and incentives called for under the comprehensive Inventory Reduction Plan. In consideration of the existing budgetary limitations and the overall DMR philosophy (which calls for DoD as a whole to do its job smarter and more efficiently), it is incumbent upon OSD to consolidate dual efforts. By combining the MM CIM Functional Business Plan under the functional office's related programs, OSD will produce an integrated final CIM product, save Components additional TDY personnel and funds (to support dual efforts), and accelerate both efforts.

Request the Materiel Management CIM working group proceed immediately using the proposed CIM process phase II P&L approach.

David J. Berteau

David J. Berteau
Principal Deputy Assistant Secretary of
Defense (Production and Logistics)

Don -
This looks like it has promise, to me.
Recommend you - I discuss, with or without
stuff. Thanks.
Dave B.

Attachment

Proposed Revised Phase II Approach

Within the framework of the Inventory Reduction Plan (IRP), existing OSD and Component documentation of previous and ongoing efforts can be used to alter the policies, processes, and incentives required to build an effective (and in some cases visionary) Materiel Management system of the future. The proposed P&L changes to integrate the Materiel Management CIM process are focused on taking full advantage of completed and ongoing functional efforts in order to accelerate, as well as improve, CIM implementation. It builds upon existing documentation and organizational structure within several Logistics DMRD Initiatives and other programs such as the IRP. Both OASD(P&L) and Component functional programs and knowledge of Materiel Management issues provide the breadth and depth of experience necessary to the success of the CIM Phase II Functional Business Plan. The proposed P&L process should facilitate development of the Business Plan while remaining consistent with the CIM process guide, thus making the product properly documented for CIM Phase III. The elements of this plan are as follows:

- The CIM (Phase II) Working Group will be divided into five functional subgroups, mirroring the Process Action Teams (PATs) of the IRP and the Component Working Groups (CWGs) for CIM interim systems. Each subgroup will be staffed with multi-functional OSD and Component representation with an OSD or a Component leader, all of whom are members of the CIM Functional Steering Committee.
- The Defense Materiel Management Board (DMMB) will resolve and coordinate functional integration issues for the IRP, CIM interim systems CWGs/Executive Agents EAs, and CIM Phase II subgroups. A separate DMMB subgroup will work data integration and standardization issues for the same three areas.
- Each functional subgroup will follow existing CIM process guidance. The subgroups will:
 - .. Research and review all OSD and Component documentation within each functional area, e.g., IRP, Service/DLA ADP modernization plans, and long-range logistics plans;
 - .. Compare existing documentation to required products, and when a match is found, prepare documentation to satisfy CIM process guidance products. Whenever

possible, use existing documentation to prepare in format for knowledgeware.

- When voids are found, employ CIM visionary methods - consistent with IRP functional policy development - to meet CIM objectives.
- Provide documentation in some instances, for steps required by the CIM process guidance. This may be done by assigned EAs.

MATERIEL MANAGEMENT CIM

PHASE II

GOALS

- PROVIDE PRODUCTS IAW THE PROCESS GUIDE
- ACCELERATE, INTEGRATE CIM PRODUCT
- AVOID DUPLICATION OF EFFORT

GOALS

STRATEGY

- FIVE (5) MULTI-FUNCTIONAL OSD/COMPONENT CIM SUBGROUPS
- GROUP LEADERS DEVELOP MILESTONES/ TECHNIQUES TO ACHIEVE PHASE II
- DMMB MEMBERS RESOLVE/COORDINATE FUNCTIONAL INTEGRATION ISSUES
 - INTERNAL CIM
 - EXTERNAL CIM
 - IS DEVELOPMENT (EA)
- DMMB/SUBGROUP RESOLVES DATA INTEGRATION/STANDARDIZATION ISSUES
 - INTERNAL CIM
 - EXTERNAL CIM
 - IS DEVELOPMENT (EA)

STRAT1

STRATEGY

(CONTINUED)

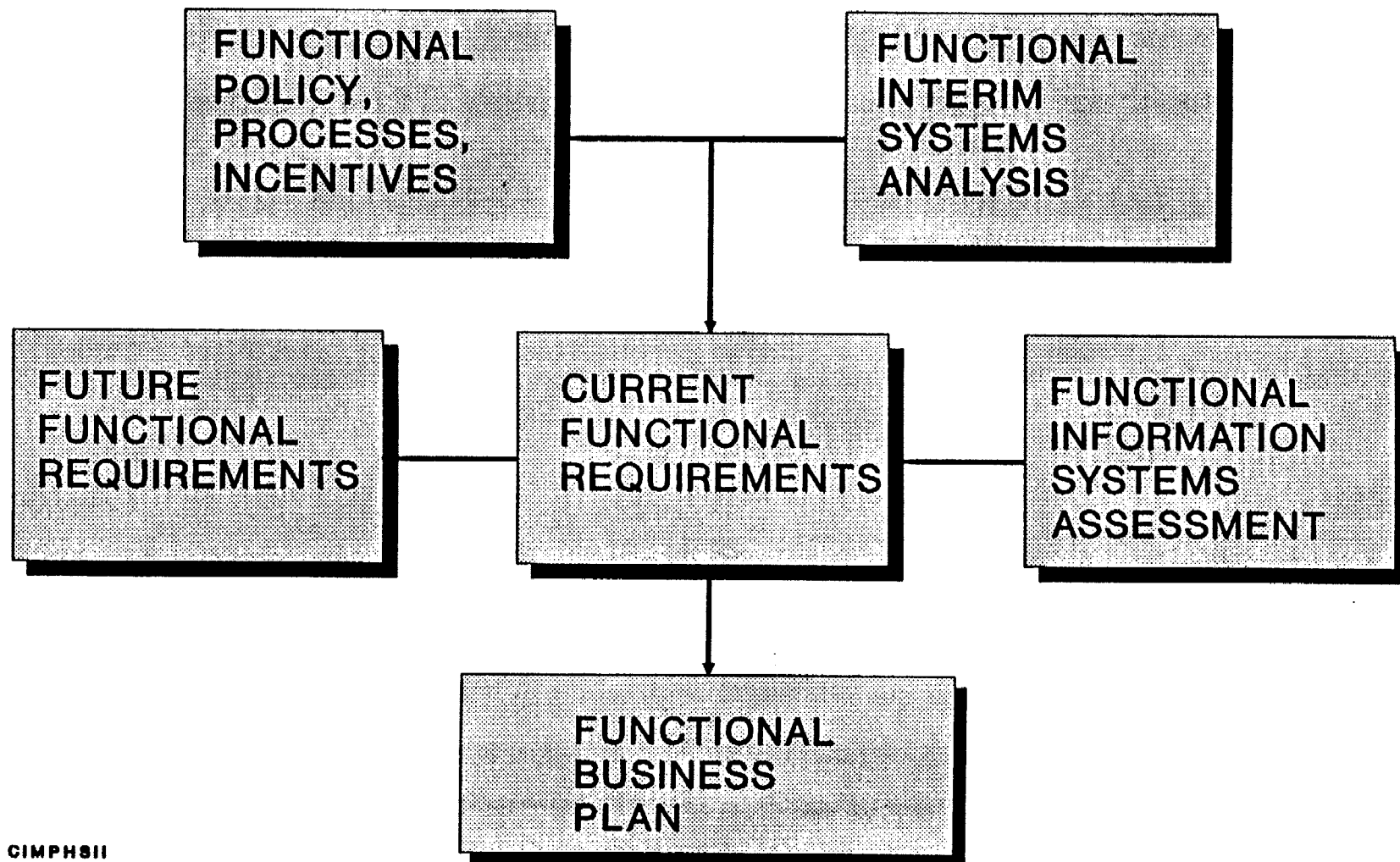
- FUNCTIONAL SUBGROUPS UTILIZE EXISTING DOCUMENTATION
 - COMPONENT ADP MODERNIZATION PLANS
 - OSD (P&L) IRP
 - DRAFT LOGISTICS CONSOLIDATED REG
 - LONG RANGE STRATEGIC/LOGISTICS PLANS
 - OTHER DOD INITIATIVES
- AUGMENTEES WHEN REQUIRED

P&L PROPOSED MATERIEL MANAGEMENT CIM PLAN

- SOURCES OF INPUT
 - IRP/CONSOLIDATED DoD POLICY MANUAL
 - OTHER RELATED MATERIEL MANAGEMENT DMR DECISIONS
 - FUNCTIONAL CIM INTERIM SYSTEMS ANALYSIS
 - ONGOING P&L/COMPONENT POLICY/SYSTEMS DEVELOPMENT
 - DoD COMPONENT PLANNING DOCUMENTS
- ORGANIZATION
 - CIM WORKING GROUP (FIVE SUBGROUPS)
 - INTERIM SYSTEMS FIVE COMPONENT WORKING GROUPS (EAs)
 - IRPs FIVE PROCESS ACTION TEAMS (PATs)

PLPRPO8D

PROPOSED P&L MATERIEL MANAGEMENT CIM PHASE II PLAN



CIMPHSII

FUNCTIONAL BUSINESS PLAN

(STEP 2.1.9)

- INCORPORATES ALL PREVIOUS STEPS
- BUSINESS CASE
- MAISARC MILESTONE 0 DOCUMENTATION

DOD LOGISTICS REG POLICY/CIM MM VISION COMPARISON (EXAMPLES)

LOGISTICS REG

**MEET END ITEM READINESS GOALS
AT MINIMUM INVESTMENT ...**

**SIWSM CONCEPT NORMALLY SHALL
BE USED FOR THE COMPUTATION
OF SECONDARY ITEM REQUIREMENTS**

**NORMALLY, ACTUAL REPAIR CYCLE TIMES
TIMES AND EXPERIENCED FAILURE
FACTORS SHALL BE USED TO
COMPUTE REPAIR CYCLE REQUIREMENTS**

**ACHIEVE THE OBJECTIVE OF
MINIMIZING PROCUREMENT LEAD TIMES**

REGVIS

VISION ELEMENT

**ACHIEVABLE, AFFORDABLE GOALS AND
SUPPORT STRATEGIES FOR
WEAPON SYSTEMS**

**INTEGRATED, READINESS REQUIREMENTS
COMPUTATIONS DETERMINE
STOCK ACTIONS**

**MAINTENANCE ACTIVITIES PROVIDE
USAGE AND CONFIGURATION DATA**

OPTIMIZED PIPELINE TIME

SAMPLE DATA STEP 2.1.2/3/4

**CIM VISION: LSA DATA IS INTERACTIVE WITH MM TO VALIDATE
PROVISIONING DATA**

SOURCE OF SAMPLE: AMC STANDARD SYSTEM MODERNIZATION

VISION: USAGE BASED PROVISIONING

GOAL: USE ACTUAL OBSERVATIONS FOR FOLLOW-ON PROVISIONING

CRITICAL SUCCESS FACTORS: INCREASED A₀ AND LOWER COST

IMPEDIMENTS: LACK OF A MECHANISM TO USE EARLY FIELD DATA

**RESOLUTIONS: RETENTION OF LSAR DATA, NUMEROUS SOURCES
OF FIELD DATA**

**STRATEGY: CENTRAL COLLECTION OF FIELD DATA
STATISTICAL VALIDATION MODEL
UPDATE LSAR FAILURE FACTORS
OPTIMIZATION COMPUTATIONS**

ALTERNATIVES: INVENTORY MANAGER SCRUB RAW DATA

USE EXISTING DOCUMENTATION

- **ENSURES VISIONS ARE COMPREHENSIVE AND INTEGRATED**
- **SUBGROUPS CONCENTRATE ON WHAT IS BROKEN**
- **KEY TO MEETING MILESTONES**

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